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United States Department of State

Washington, D. C. 20520

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INFORMATION MEMORANDUM
S/S

TO: The Secretary

THROUGH: T - Ambassador Bartholomew

FROM: PM - Richard A. Clarke

SUBJECT: Countering Iraqi Weapons of Mass Destruction:
The Gulf Crisis and Beyond

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We need to do further detailed analysis of options for dealing with Iraqi weapons of mass destruction. The attached paper analyzes several options for dealing with the threat posed by Iraq's nonconventional weapons (NCW) capabilities. They are:

- Adding new conditions before lifting the UN sanctions
- Pursuing a near-embargo outside the UN
- Maintaining international economic pressure after lifting sanctions
- Pursuing regional nonproliferation initiatives
- Strengthening existing nonproliferation efforts, through:
 - bolder steps within existing regimes;
 - urging states outside these regimes to act; and
 - creating a new nonproliferation "super-regime."

Each option is discussed in terms of its feasibility, effectiveness and costs. We plan to distribute this paper on an eyes-only basis to principals of the Proliferation PCC to begin discussion on an interagency basis.

Attachment:
As stated.

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DECL: OADR

Declassified By: Frank Machak
Director, Office of FOI, Privacy,
and Classification Review

June 1, 1992

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COUNTERING IRAQI WEAPONS OF MASS DESTRUCTION: THE GULF CRISIS AND BEYOND

There is a continuum of options for dealing with the Iraqi proliferation threat. These range from use of military force to destroy Iraq's nonconventional weapons (NCW) capabilities to improving existing nonproliferation regimes and developing a regional security framework to deter Iraq's use of security NCW.

The discussion below evaluates four options in terms of the following criteria:

- o effectiveness in eliminating or neutralizing Iraq's proliferation capabilities;
- o feasibility, i.e., How readily can the option be implemented?
- o the costs (financial and political) of implementation.

The following five options are proposed below for dealing with the long-term proliferation threat posed by Iraq:

- o Option 1: Adding New Conditions Before Lifting UN Sanctions
- o Option 2: Pursuing a Near-embargo Outside the UN
- o Option 3: International Economic Pressure after Lifting Sanctions
- o Option 4: Regional Nonproliferation Initiatives
- o Option 5: Strengthening Existing Nonproliferation Efforts

Using Military Force to Eliminate Iraq's NCW

This paper does not evaluate the military options for eliminating Iraq's NCW capabilities. In assessing the options discussed below, it is important to note that military action could neutralize the Iraqi proliferation threat now and for at least a decade into the future.

U C [Iraq took most of a decade and \$10-20 billion (roughly estimated) to build its NCW capabilities to current levels. It relied on massive international aid (technical, financial and military) designed to help Iraq survive its war with Iran. No one was paying attention to the need to block NCW proliferation.

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Today, and for the foreseeable future, Iraq is deep in debt and very unlikely to obtain even a portion of the support it received in building its existing NCW infrastructure. Concerted international effort to thwart Iraq should sharply increase the time and cost if Iraq were to try to rebuild.

Option 1: Adding New Conditions Before Lifting UN Sanctions

This option calls for imposing a new, proliferation-related condition that Iraq would have to meet before UN sanctions would be removed. In its purest form, this would take the form of a new UNSC resolution requiring Iraq to dismantle its NCW facilities and permit inspections to verify this dismantlement before the current embargo would be lifted.

o Effectiveness:

The effectiveness of this option would depend in large measure on being able to verify that Iraq had met the conditions stipulated. Accepted verification procedures exist that might cover our nuclear and missile nonproliferation concerns. But CW and BW verification are extremely complex issues, technically and politically, which thus far have stymied international arms control efforts. Such complications have resulted in our consistent rejection of proposals for an inspection regime at Rabta.

o Feasibility:

This option would no doubt prove hard to achieve. It is difficult to envisage Iraq (except under a new and prostrate regime) accepting the international humiliation and intrusion of sovereignty that an effective imposed verification regime would involve. Generating international support would also be a major challenge because Iraq's proliferation activities do not violate the UN charter and because a new condition might appear to be an eleventh-hour effort to block a diplomatic solution.

o Costs:

However, two avenues appear to be worth exploring to develop the case for this new demand. First, a proposal to make this additional demand of Iraq might well become attractive to many UN members as an alternative to UN-backed military action, pursuant to Article 42, or the threat of unilateral US military action. (Secretary Baker and the Saudis agreed this will be an active topic of discussion in coming weeks. NODIS, Riyadh 7604) Second, a case might also be developed on the basis of Saddam Hussein's record as a war criminal, taking account both of the recent hostage-taking and

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his use of CW during the Iran-Iraq war and against Iraqi Kurds. The UN itself assembled evidence on Iraqi CW use that could be brought to bear on this case. But if it is to be made at all, this case must begin to be developed soon.

This option would involve significant political costs, and perhaps financial ones as well. Some of these costs might result from the political pressure and economic support associated with prolonging an effective embargo on Iraq. Other costs would derive from efforts to obtain support for imposing unprecedented demands on Iraq like those outlined above. Another political trade-off the US might be asked to make, in return for Arab support of such demands, would be a commitment to pursue broad nonproliferation efforts in the Middle East. (See Secretary Baker's exchange with King Fahd in NODIS Riyadh 7604.)

Option 2: Pursuing a Near-embargo Outside the UN

If the previous option proves impossible to push through the UN, a scaled-down variation might be considered. It would call for getting a small number of well-placed nations to agree to continue to embargo Iraq on an informal (ie, not UN-blessed) basis. The most important players would be Iraq's immediate neighbors, particularly Saudi Arabia, Turkey and Syria, who would perform the essential role of keeping Iraq cut off from obtaining oil export revenues. It would also be important to obtain support of large powers such as the UK, France and the USSR.

o Effectiveness:

This option could prove effective in keeping serious economic pressure on Iraq, but it would inevitably amount to less pressure than a complete, UN-backed embargo. Moreover, it seems unlikely that a small, informal collection of states could develop and carry out an internationally-accepted or -respected scheme for verifying dismantlement of Iraq's NCW infrastructure.

o Feasibility:

The appeal of this option would be that it is more easily feasible than the full-blown UN option outlined above. There appears to be strong regional support for measures that would not permit Saddam to retain his NCW capability after the present crisis subsides. And in strictest terms, US-UK naval cooperation would probably suffice to blockade Iraq shipping.

o Costs:

Because it would have less international support, the financial costs associated with this variation would not be

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spread out. However, Kuwaiti and Saudi financial reserves would probably suffice to provide the economic aid needed to keep Turkey and other countries on board. The political costs of this variation would almost certainly be high. As with a military strike, the US might be perceived as abandoning its new post-Cold War leadership role to pursue its own aims "outside" the international system. And again, the regional states might try extract our commitment to a serious Middle East nonproliferation undertaking as a condition for their support.

Option 3: International Economic Pressure after Lifting Sanctions

Whether or not the above option succeeds, the US should actively coordinate economic pressure against Iraq after sanctions are lifted in order to block further NCW development. This would involve creation of a "club" (or several "clubs") of states that would cooperate to regulate the flow of credit, military supplies, and proliferation-related dual-use goods to Iraq. The terms of cooperation among these groups would be to make resumption of credit or any sensitive trade with Iraq conditional on sharp reduction/elimination of Iraq's NCW programs (if they have not already been done away with) and on Iraq's continued non-involvement in proliferation activities.

o Effectiveness:

As a way to neutralize Iraq's NCW capabilities, this option would be less dramatic and effective than either a military strike or a UN-imposed dismantlement. But if Saddam emerges from the crisis militarily intact, something like this option would be essential if Iraq is to be contained. Such measures would seem promising if the "clubs" involve most of the countries that have had meaningful economic and military relations with Iraq, or that would be capable of NCW-related technical assistance to Iraq.

At a minimum, the countries involved should include; the Soviet Union, the PRC, most East European states, France, the FRG, Japan, and a number of Third World countries like India and Brazil. Added assurance would be provided by the continued and expanded efforts of the Australia Group and MTCR to thwart international proliferation supply networks.

o Feasibility:

The feasibility of this option appears promising at this point in time. It calls for lesser support than that which now exists for the embargo of Iraq but would be built on the same basis of international outrage over Iraqi actions. That

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outrage seems capable of being translated into the kind of cooperation described here. Nevertheless, it would require extensive bilateral diplomacy while the iron is still hot to gain the desired results.

o Costs:

The costs of undertaking this option would appear manageable. The main financial costs would appear to be opportunities lost by those countries that would agree to restrict their access to the lucrative Iraqi market for the sake of hindering its proliferation efforts. Over the years, these costs could run into billions of dollars, and the US could be pressured to provide compensation or make trade-offs in ways that are now unforeseen. The political costs of this option are likely to be few, since the international community will probably view this course of action as a responsible, focused reaction to a clearly defined threat.

Option 4: Regional Nonproliferation Initiatives

In addition to all other options, we should consider pursuit of regional arms control initiatives that could further nonproliferation objectives in the area after the crisis subsides. Following suggestions from the Soviets, Saudis and Egyptians, we could pursue a regional NCW disarmament conference of Middle East states.

o Feasibility:

The urgent concern about Iraqi NCW generated by the Gulf crisis might provide the political will to make such an undertaking feasible. Nevertheless, the likelihood of obtaining Israeli and Arab participation in such a forum would still be very low.

o Effectiveness:

The potential for such a conference to actually reduce the destabilizing NCW threat in the Middle East is sharply limited. The Arab states would inevitably demand that Israel give up its nuclear weapons capability before they would abandon their pursuit of NCW. This linkage would make negotiations impossible, given the central role that a nuclear deterrent plays in Israel's regional defense strategy.

o Costs:

The political costs would be significant if we undertook a regional conference that failed in its objective of reducing the threat posed by NCW proliferation. It might undermine hopes of achieving any regional arms control and thereby harden nations' resolve to pursue an NCW arms race.

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Option 5: Strengthening Existing Nonproliferation Efforts

Option 5a: Bolder Steps under Existing Nonproliferation Regimes

Because of the Gulf crisis, we can try to get existing nonproliferation regimes to tighten controls beyond what they were ready to consider before. These bold steps would involve asking our nonproliferation partners to adopt controls that the U.S. now implements (nuclear), or that it is planning to implement in the near future (CBW and missiles). These measures could include:

- o Urging members of the London Suppliers Group and the NPT Exporters Committee not to export to Iraq any commodities on the international trigger list, regardless of Iraq's willingness to accept the requisite safeguards.
- o Urging members of the Australia Group to require a license for export of all 50 AG precursors on a worldwide basis.
- o Urging members of all three groups to:
 - Devise a list of dual-use equipment applicable to NCW production and require a license for export of that equipment and for technology and services applicable to NCW production.
 - Require a license for any dual-use commodity where the exporter knows or has reason to know that the end-use or end-user is involved with CBW, nuclear or missile development.
 - Increase intelligence collection priorities in these areas and step up intelligence sharing on nonconventional weapons programs worldwide, with particular emphasis on Iraq's clandestine procurement network.

o Effectiveness:

The achievement of any of these measures will be a major improvement in the effectiveness of international nonproliferation efforts; to accomplish most or all of them would dramatically decrease the availability of necessary materials and technology to would-be NCW possessors. The LS proposal, for example, is an essential step in putting off Iraq's acquisition of a nuclear device indefinitely. Many of the measures are not Iraq-exclusive, but would strengthen the general effort against nonproliferation.

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o. Feasibility:

Even in the current crisis environment, international cooperation of this kind would be difficult to achieve. It would be impossible if the U.S. fails to just implement such steps on its own and then to move rapidly to develop multilateral support for them. Even then, the chance of success is probably no higher than 50%.

o Costs:

The costs of this option would be primarily commercial. It is inevitable that some negative impact on legitimate trade would occur as a result of tighter controls. These costs are however, impossible to quantify and may not be as substantial as some suggest.

Option 5b: Motivate Other Supplier States to Take Action

The U.S. and other leading nonproliferation states could use the Gulf crisis to motivate important supplier states to institute nonproliferation controls that they have historically viewed as discriminatory. This option might involve:

- o Brief supplier states such as Brazil, Argentina, India and China on Iraqi (and other states') NCW programs and procurement networks, and ask them to institute controls comparable to ours.
- o Urge leading nonproliferation states, such as the Soviet Union, FRG, Japan, UK and Australia, to make similar presentations.
- o Encourage formal membership, as appropriate, by such countries in the Australia Group and MTCR.
- o Exploit anti-Iraq sentiment to erase ambiguities in Chinese nonproliferation commitments.
- o Follow up recent contacts with Eastern European governments on proliferation issues to encourage more restrictive export standards and possible membership in technology control organizations.

o Effectiveness:

If countries such as China and India, which have been major sources of concern, were to adopt nonproliferation controls, it would greatly enhance the effectiveness of current international nonproliferation efforts. It would also

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be a major step beyond past efforts to harmonize our controls, which have tended to focus on countries that already support nonproliferation.

o Feasibility:

Achieving broad political agreement and export controls that are effective would be difficult, however. Current control mechanisms in these countries may lack sophistication or be absent entirely. Industry may not cooperate. Finally, once the crisis is over, such states could soon yield to a desperate need for foreign currency and a fear of being too closely identified with the West.

o Costs:

The costs of making this case to supplier countries would be relatively small. The problem, however, comes when the countries we approach demand compensation from the West for the cost to their industry of introducing export controls. Pressure for this sort of compensation would have to be resisted.

Option 5c: Create a New Nonproliferation Regime

If the above efforts seem insufficient, it has been suggested that we could seek to create an overarching mechanism to coordinate international nuclear, CBW, and missile nonproliferation efforts.

This goal could be approached globally (e.g., under UN auspices), or by a smaller ad hoc grouping of interested countries. This would be primarily a political mechanism, to attract states outside the existing regimes, raise their awareness of international proliferation problems, strengthen the political commitment to solve them and help create export control regimes that meet uniformly high standards.

An alternate approach would be to meld existing nonproliferation regimes into one (the London Nuclear Suppliers' Group, the MTCR, and the Australia Group). Its primary focus would be intelligence-sharing and interdiction, a function that the larger and more diverse group proposed above could not perform.

o Effectiveness:

In their separate ways, both of these mechanisms would contribute to a more effective international effort against NCW proliferation. The first would produce cooperation with countries that, for intelligence purposes, cannot participate

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in existing regimes. The second would enable members to address connections between proliferation areas, possibly pinpointing advances in one area that can enhance efforts in another.

The political approach, however, should not completely overshadow or exclude the interdiction/intelligence-sharing approach. If a UN-based or similar institution is set up, it may result in pressure to do away with the Australia Group or MTCR. Such pressure should be resisted. Furthermore, both approaches would risk becoming bureaucratically top-heavy and diluted with the inclusion of countries with little real commitment to nonproliferation.

o Feasibility:

Creation of a nonproliferation "super-regime" would be an extraordinary political challenge, but the fact that some Western countries have already made hints in this direction suggests that it may be feasible. Very few allies have stated their views, however, and the concept might be hard to sell to those who are satisfied with existing mechanisms. There is no indication at this point as to how outsider countries might react.

o Costs:

Even if an initiative is launched immediately, it would probably take a year or two to obtain international agreement and start up any effective new mechanism. Costs of the narrower, interdiction-focused mechanism -- both financial and political -- would be moderate if it relied on existing structures. A broader mechanism would be more costly and require more effort to launch.

Excursion: A Regional Security Framework as a Proliferation Deterrent

In parallel with the above options, the US should pursue a long-range framework for security in the Gulf to discourage Iraqi attempts to use its NCW to intimidate or destabilize its neighbors. A full discussion of the effectiveness, achievability and costs of this complex proposal are beyond the scope of this paper. Following, however, is a brief summation of how such a security arrangement might look.

Iraq's overwhelming strength will be impossible to offset by relying solely on indigenous GCC or Arab world resources. Ultimately, we need to aim for an informal linkage of states inside and outside of the region to constrain Iraqi power and preserve a regional balance. Such linkages would be vital to

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the effort to preserve Iraq's territorial integrity if its neighbors are tempted to exploit a severe Iraqi military defeat by the U.S.

This would involve a range of U.S. security commitments in the Gulf, buttressed by allied support (such as the UK) and possibly Soviet deployments and assistance as well. Turkey, as a NATO member and prominent regional power, would have a major role. Many of these linkages would take the form of developing military capabilities and coordination with the GCC member states.

At the heart of this security arrangement would be the U.S.-Saudi military and political relationship. It would include the pre-positioning of large amounts of equipment, greatly expanded naval facilities and access, and, if possible, a permanent "trip-wire" presence of U.S. military personnel.

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